



Gujarat NRE Minerals Limited

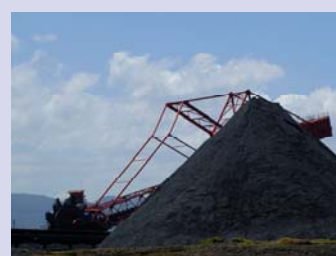
ACN: 111 244 896

ASX Code: **GNM**



Activities Report

Quarter ended 31 December 2008





Gujarat NRE Minerals Limited

ACN: 111 244 896

ASX Code: **GNM**

About the Company

Gujarat NRE Minerals Limited (GNM) owns and operates NRE No.1 Colliery and NRE Wongawilli Colliery (being consolidated with NRE Avondale Colliery) in the Illawarra Region of New South Wales.

Both the Collieries are currently in production and the Company is exporting its entire production of ROM Coal to its parent company in India through Port Kembla, which is located at a close proximity of both the Collieries and well connected via both rail and road.

Listed on Australian Stock Exchange in July'07 GNM is mainly owned (~82%) by Gujarat NRE Coke Limited, which is the largest producer of Low Ash Metallurgical Coke in India and listed on Bombay Stock Exchange and National Stock Exchange.

- Major developments are in progress to achieve a total production of up to 7 million tonnes per annum from both the Collieries by year 2012/13.

Highlights

Wonga Mains Project progressing satisfactorily

Production ramping-up

New Miner commissioned and improves production

Exploratory drilling started

Wonga Mains Project

The development of the Wonga Mains entries are progressing with the Conveyor roadway at a distance of 690 metres, the Rubber Tyre Vehicle roadway at 620 metres and the Track roadway at 475. Development has focused on ensuring the long term stability for these underground roadways by installing additional or secondary roof support, grading the floor and the application of additional support on the sides or ribs.

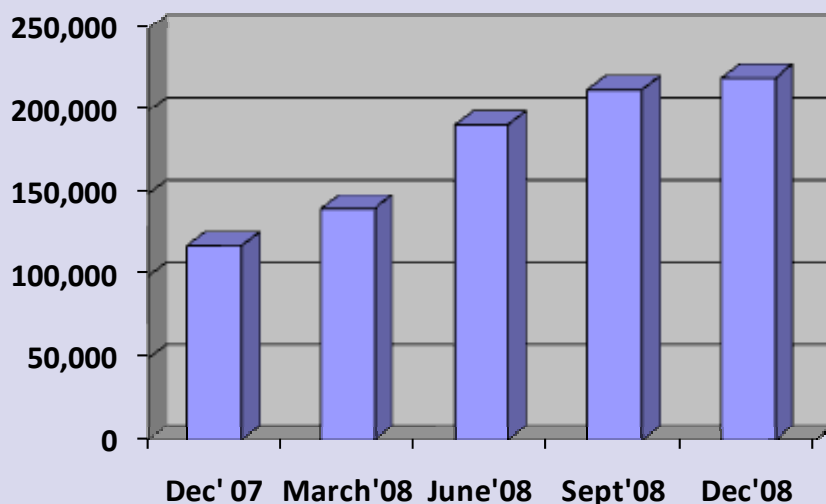


Gujarat NRE Minerals Limited

ACN: 111 244 896

ASX Code: **GNM**

Production



Quarterly Production in Tonnes Quarterly Report - December'08

Production for NRE No.1 Colliery for the quarter was 163,351 tonnes and NRE Wongawilli Colliery was 56,585 tonnes. Production for the last two weeks of the quarter was put on hold so that essential maintenance could be undertaken during the Christmas holiday period. This included maintenance on the underground belt conveyors; the personnel winder/lift at No.4 shaft; underground diesel transport fleet and the underground electrical supply installations.

Consolidated Production & Sale

Tonnes '000	Quarter Dec'08	Quarter Dec'07
ROM Coal Production:		
Longwall	-	-
Development	93	38
Board & Pillar	127	72
Total Production	220	110
Total Sale	203	133



Gujarat NRE Minerals Limited

ACN: 111 244 896

ASX Code: **GNM**

New Miner

The new continuous miner (the Sandvik MB670) was successfully installed underground and commissioned at the NRE Wongawilli Mine. This has made a noticeable improvement in production & development rate for the next longwall panels.

Exploratory Drilling

The first of a planned 10 exploratory drilling has already started. Also a Subsidence Management Plan Application was completed in December 2008 and lodged with the Department of Primary Industries for consideration and approval. This is an essential approval step that when granted will see longwall extraction re-commencing at the NRE Wongawilli Colliery.

Corporate

- During the quarter 22,500,000 options with exercise price of 27 cents per share expiring on 31 December 2008 were exercised.
- Quarterly contract price for the sale of ROM coal has been revised to align with current global coal market.

Board of Directors

Mr. Arun Kumar Jagatramka (Chairman)

Dr. Andrew Firek

Mr. Maurice Anghie

Mrs. Mona Jagatramka

Mr. Sanjay Sharma (Company Secretary)

Business Address

Gujarat NRE Minerals Limited

Lot 1 Princes Highway

(Cnr Bellambi Lane)

Russell Vale, NSW 2519

Ph: +612 4223 6836

Fx: +612 4283 7449

For further information

Contact: Sanjay Sharma

Website: <http://gujaratnre.com.au>

Email: ssharma@gujaratnre.com.au